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# NEWS

U. S. DEPARTMENT OF AGRICULTURE

## FmHA NOW PROVIDES INTEREST CREDIT FOR HOUSING REPAIR LOANS:

WASHINGTON, May 7--The Farmers Home Administration (FmHA) of the U. S. Department of Agriculture (USDA) has initiated a program to further encourage the use of existing housing and provide better homes for low-income rural families through low interest home improvement loans.

The agency can now provide "interest credits" to reduce the effective interest rate on loans made to rehabilitate or repair a dwelling that a borrower already owns, and either lives in or will live in once it is brought up to standard.

Loans of up to \$7,000 will be made for repairs that will improve and modernize substandard dwellings, so as to provide adequate homes in rural areas. Terms for repayment of the loan may be as long as 25 years.

To be eligible for a FmHA home improvement loan with interest credit, the housing must be located in rural countryside or a rural town of not more than 10,000 people. The loans are designed especially for low-income families.

Under this program, interest credits can reduce the effective interest rate paid by the borrower to 1 percent if the adjusted family income is less than \$3,000. If the adjusted family income is more than \$3,000 but less than \$5,000, the interest rate will be 2 percent. If the adjusted family income is between \$5,000 and \$7,000, interest will be 3 percent.

The policy of making interest credit and repair and rehabilitation loans is another method of utilizing the existing supply of housing to improve living conditions for low-income rural people.

Farmers Home Administration is the Department of Agriculture's rural credit agency for family-farm agriculture, town and country housing, community facilities and business enterprise supportive of rural community development. Loans are made through 1,785 county offices throughout the country. Office locations can be found through telephone directory listings under U. S. Government--Agriculture Department. Benefits of programs supported by the agency are made available without regard to race, color, creed or national origin.

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